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UNCLAS SECTION 01 OF 02 BUDAPEST 000322

SENSITIVE  
SIPDIS

STATE FOR SWINE FLU MONITORING GROUP

E.O. 12958: N/A

TAGS: [KFLU](#) [AEMR](#) [ASEC](#) [CASC](#) [KFLO](#) [TBIO](#) [KSAF](#) [KPAO](#) [PREL](#)  
PINR, AMGT, MG, HU  
SUBJECT: MGSF01: HUNGARY OFFERS VACCINE PRODUCTION  
CAPACITY, SEEKS VIRUS SAMPLES

REF: STATE 42349

¶1. (U) This is an action request. See para 7.

¶2. (SBU) Begin Summary: On April 27, Hungarian officials contacted Charge and ESTH Hub Officer to bring to their attention Hungarian vaccine production capabilities. Hungary has the technical expertise and the infrastructure to produce large quantities of vaccine at Omninvest's production facility near Budapest (a for-profit public-private partnership), and the GOH says it is willing to help the U.S., Mexico or another country by selling or sharing its proprietary vaccine development technology. While post is familiar with this company, questions about its ownership have been raised by the press. The GOH is seeking USG assistance in obtaining flu samples to enable testing of the technology on this particular virus to confirm it can produce a viable vaccine. End summary.

¶3. (SBU) On April 27, Abel Garamhegyi, Deputy State Secretary for Foreign Economic Affairs at the Ministry of Economy, offered Hungary's technical expertise and production capacity to develop, test and manufacture large quantities of swine flu vaccine if the U.S. or another country is interested. Garamhegyi confirmed to ESTH FSN that he is offering Hungary's patented technology for fast vaccine production directly from a live virus sample. Garamhegyi says he can produce peer-reviewed scientific publications documenting the success of this technology. Garamhegyi requested USG help to obtain a sample of the current strain of swine flu so that Hungary can test the technology to confirm that it will work on this particular virus. Once a vaccine has been developed and tested, Hungary would be willing to share or sell its know-how to interested foreign partners. Also on April 27, Dr. Ferenc Falus, Chief Medical Officer of Hungary, contacted ESTH Hub Officer seeking USG assistance in obtaining a sample of the swine flu for use in vaccine production.

¶4. (U) Post's ESTH staff can confirm that Hungary has the technical expertise and the infrastructure for large-scale vaccine production. A company called Omninvest produces Hungary's seasonal flu vaccines in a 2000 square meter facility in Pilisborosjeno, near Budapest. Omninvest, which has a long-term strategic agreement with the GOH to produce vaccines as part of Hungary's Pandemic Plan, developed Hungary's patented vaccine technology as part of a multi-year government-funded research and development program.

15. (SBU) According to Falus, following a preparatory period of two to three months, Hungary could scale up to production of 500,000 doses of vaccine per week. This capacity would be sufficient to meet expected domestic demand in a pandemic, but might not be enough for exports as well - hence the Hungarian interest in marketing their technology when it is proven effective on this virus strain rather than manufacturing the vaccine for the export market. As of April 27, there were no/no reported current cases of swine flu in Hungary.

16. (U) At a press conference on April 27, Minister of Health Tamas Szekely told the press that Hungary is trying to obtain samples of the virus through "diplomatic channels" so that it can test its technology and subsequently assist affected countries.

17. (U) ACTION REQUEST: Please advise how we should respond to the GOH request and provide an appropriate POC to whom we can direct the GOH for follow-up.

18. (SBU) Comment: FCS notes that Omninvest has been around for four years and has not been able to successfully market its technology. Given the presence of major multinational pharmaceutical-biotech companies in Hungary, we are unclear as to why this is. Given the GOH's investment in Omninvest, it is easy to understand its interest in marketing this technology. Provision of government funding to Omninvest has been widely criticized in the media because ownership of the firm is less than transparent (98% owned by Sumpter

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Pharmaceuticals, a Cyprus-based offshore company about which little information is publicly available, and 2% owned by Hungarian businessman Tamas Laczko). The press also widely panned this significant - for Hungary - level of government funding for research because the program has yielded no discernable benefit to the public. Marketing swine flu vaccine production technology to other countries would offer an opportunity for Omninvest (and the GOH) to demonstrate to the public that government funding of Omninvest's research has produced a result, as well as providing a useful source of extra cash in difficult economic times. End comment.

19. (U) POCs in Budapest: Until May 15, POC is ESTH Hub Officer Camille Hill (tel. 36-1-475-4956; email HILLCD21@state.gov) until May 15 when she departs post; after May 15 POC is incoming Budapest ESTH Hub Officer Sam Kotis, (tel. 36-1-475-4956; email Kotiss@state.gov). Levine